

This is Version 3 of Frequently Asked Questions (FAQs) published by the SC Rural Infrastructure Authority related to the new SC Infrastructure Investment Program (SCIIP). Questions that were added or revised in each version are color coded as follows:

Version 1
 Version 2
 Version 3

A summary of changes made in each version can be found at the end of this document.

CONTENTS

Program Overview	2
Eligible Applicants	2
Eligible Activities.....	4
Local Investment Eligibility.....	5
Application Limits.....	6
Timeline.....	7
Regional Projects.....	8
Federal Requirements.....	9
Procurement of Engineering Services	9
Other Procurement Requirements	10
Other Federal Requirements.....	11
Grant Application.....	12
Program Administration	13
Project Selection	13
Version History	14

PROGRAM OVERVIEW

Eligible Applicants

- | | |
|------|--|
| V. 1 | 1. Is my entity eligible if it has a delinquent audit? |
| | Yes. However, RIA requires that a utility demonstrate viability. Thus, the applicant should indicate how the delinquent audit will be addressed in a timely manner. |
| V. 2 | 2. What if my entity does not own or operate the infrastructure but would like to apply for a grant? |
| | An applicant must be an owner or operator except a local government may apply on behalf of a not-for-profit utility. |
| V. 2 | 3. If we are located in a Tier III county with a service population of 55,000, could we apply for \$500,000 in RIA state grant funds towards local investment? |
| | Yes. All utilities located in Tier III or IV counties are eligible to apply for up to \$500,000 in RIA state grant funds to be counted as part of the local investment. Utilities located in Tier I or II counties with a service population of 10,000 or less are also eligible to apply for RIA state grant funds. Please see Question #9 in this section for more information about determining service population. |
| V. 1 | 4. Can a County apply on behalf of a Special Purpose District (SPD) or City utility? If they can, does that mean the SPD or City cannot apply for their own project? The application asks for our service population. Should it also ask Tier level of County in this section? |
| | The county should only apply if they are the owner/operator of a utility (including stormwater) or if applying on behalf of a not-for-profit water and sewer utility. The county would use population as its service population for stormwater projects. RIA already has the Tier level information and thus it is not needed in the application. |
| | 5. How would a local government apply on behalf of a utility? Does it require a joint application or a letter of support? |
| V. 1 | There should be some form of operating agreement or a letter of request from a not-for-profit utility that an application be submitted by the local government on its behalf. |
| | 6. The size of the system +/- 30K is based on customers (people served) and not taps? |
| V. 1 | Utility size is based on service population for the SCIIP program. Please see Question #9 in this section. |

V.2

7. If a utility currently has an open RIA state grant, can they apply for another RIA state grant to help with matching funds for the SCIIP funding?

Please see Question 4 under Local Investment Eligibility.

V.1

8. Are there ways to do a public-private joint project?

A private entity is not eligible to receive SCIIP funds. However, they may contribute funds as part of the local investment.

V.2

9. How is service population defined?

For SCIIP, service population is the approximate number of individuals who receive water, wastewater, or stormwater services.

For **water and wastewater providers** that have residential customers, service population is calculated by multiplying the number of residential customer accounts (also called “taps” or “connections”) by the average household size for that county, from census data. Please keep the following information in mind:

- For any utility that provides drinking water to residential customers, we will verify the service population reported on the application using the service population on file with DHEC. This number can be checked on DHEC’s [Drinking Water Watch](#). If you have any questions about that number or need to update DHEC’s information, please contact Doug Kinard with DHEC’s Bureau of Water at kinarddb@dhec.sc.gov.
- Combined water and sewer utilities with a significantly larger service population for sewer than water should document that information in their application for consideration.
- For **utilities with no direct customers** (such as those that provide only wholesale treatment), the combined service populations of all utility customers will be used.

For **stormwater providers**, the population of the municipality or county served by the applicant will be used as the service population.

Eligible Activities

1. For potential stormwater projects, will those go through RIA or will they go through the Office of Resilience?

SCIIP can fund stormwater projects under the Community Impact Grants. However, projects may also be eligible for funding through other ARPA funded programs. Please check with the Office of Resilience to determine eligibility.

2. Can SCIIP funds be spent to replace water meters?

Yes.

3. Can SCIIP funds be used to construct lateral lines (lines from main line to meter for water projects and property line for sewer projects)?

Yes, as long as such work is conducted only on public property or easements.

4. Can SCIIP funds be used to construct lateral lines (lines from the meter to the house for water projects and property line to the house for sewer projects) - in other words on private property?

No, SCIIP funds cannot be used on private property.

5. While smoke testing and televising of lines is an eligible activity under the Viability Planning Grant; are they eligible as part of a project under the other set asides as grant funded and/or match? And if match only, can it be allowed as a pre-award match cost (meaning it has been done and can it count as match?)

Smoke testing and televising is typically done as part of a system assessment and thus would not be eligible for SCIIP capital improvement grants (Community Impact and Regional Solutions). Such work may qualify to be counted toward the local investment. However, some televising is required as part of the construction of some types of projects, such as CIPP. Such activities, where required to undertake construction, are eligible.

6. Can RIA review costs that will be incurred prior to a SCIIP grant award to ensure they would be eligible for reimbursement?

No. Upon grant award, any pre-award procurement that the grantee would like to cover with SCIIP funds will be thoroughly reviewed by RIA staff to ensure compliance prior to determining eligibility. We caution you that if you proceed with procurement prior to award, you do so at your own risk, since there is no guarantee of funding and no pre-review in advance of the contract.

V. 1

NEW in V. 3

Local Investment Eligibility

V.1

1. Can SRF principal forgiveness or loan funds (federal or recycled), EDA or USDA be used for match?

Yes. SRF principal forgiveness or loan funds (federal or recycled), EDA or USDA may be used as the local investment for a SCIIP project as long as it is the same project. Any federal source of funds may be used as the local investment for SCIIP. We note that you should verify with federal funders if you are planning to use SCIIP funds as a required “match” for their program. You should also ensure that the timing of fund availability will allow you to meet the SCIIP federal deadline requirement for expenditure.

2. Can RIA state grant funds requested for the match be used for engineering?

No. RIA has historically used its funds for construction only and will continue the requirement for funds used as the local investment for SCIIP.

3. If a utility offers services across two counties, and one county is tier I/II and the other is tier III/IV, how do we determine which grant criteria would apply? Note: the grant application we would submit would only cover work completed in the larger county, so I presume only the grant criteria for tier I/II is applicable.

The criteria for local investment would apply to the applicant not the county where the project is located.

V.2

4. If a utility currently has an open RIA state grant, can they apply for another RIA state grant to help with matching funds for the SCIIP funding?

Yes, if the utility is located in a Tier III or IV county or has a service population of 10,000 or less.

5. Can local ARPA funds be used for local investment?

Yes. This was anticipated and is encouraged. However, please be aware that the federal procurement and other federal requirements that apply to SCIIP funds may apply to local ARPA funds as well.

Application Limits

V.1

1. Can we bundle water and sewer projects if they are not in the same area or are not related?

Yes. Requests should not exceed \$10 million for the Community Impact or Regional Solutions grant categories. For each project component, a separate justification, cost estimate and other documentation should be provided in the application.

2. If a local government were to apply on behalf of a utility, would that application also be considered in conjunction with the utility's own applications for the purposes of multiple application considerations or would it stand on its own?

A local government may apply for a project as an owner/operator and also apply on behalf of a non-profit water or sewer utility. Each application would be considered on its own merits.

V.2

3. Should separate applications be submitted for a single entity with multiple project types (such as replacement of sewer pump stations, rehab of sewer manholes system-wide, and replacement of specific waterlines)?

An applicant may submit one application that includes multiple projects, including a combination of water, sewer and stormwater projects, up to a total request of \$10 million. The applicant may choose to submit multiple, separate applications with requests totaling less than \$10 million each if they are not prepared to carry out all projects concurrently. RIA staff are available to discuss specific projects.

4. If a utility will be participating in a proposed viability planning study but is NOT the primary applicant, is it still eligible for capital improvement grants through SCIIP?

Yes. Only the primary recipient of a viability planning grant is ineligible for capital improvement grants, even if the viability planning grant will fund a regional study with multiple participants.

Timeline

V.1

1. Are there any time frames regarding how quickly rights of way must be obtained in relation to the application and award?

Real property, easements and ROWs should be acquired prior to the advertisement for construction bids. In general, such acquisition should be timely in order to ensure that the federal expenditure deadlines can be met.

2. Would there be consideration of extending the grant application deadline?

At this time, we are not considering an extension of the deadline. However, if all funds are not obligated during this funding round, there may be additional opportunities to apply.

3. Can you share more information about how ARPA defines what needs to be completed by the Federal Obligation deadline of Dec. 2024?

The ARPA December 31, 2024 deadline to have 100% of ARPA funds obligated refers to a requirement that the state/RIA obligate such funds through a grant agreement by that deadline.

4. Can you share more information about how ARPA defines the Federal Expenditure deadline of Dec. 2026?

The ARPA federal expenditure deadline of December 31, 2026 requires the state/ RIA to expend its SCIIP funds by this date. While additional clarification will be provided to grantees regarding these requirements, applicants should be able to demonstrate that it can expend the federal funds and complete projects by this federal expenditure deadline.

Regional Projects

1. Can you define what RIA considers a “system” in reference to regional projects?

For eligibility for a Regional Solutions Grant, or consideration under regional priorities for other grant categories, projects should include multiple utilities that are separate entities authorized under state law. While a single utility may own multiple, individually permitted systems or facilities, those would all be considered the same entity or “system” for this program. A new consolidation or operating agreement with at least one smaller utility with viability concerns is the primary outcome of the regional solutions grants. However, new or expanded consolidation or operating agreements with other utilities will also be considered.

2. Please define newly formed partnerships. Does the partnership have to be formed specifically for the SCIIP grant? What if it was recently formed and the SCIIP grant would facilitate its development?

Newly formed partnership refers to a new consolidation agreement or operating agreement. We also note that recently expanded partnership agreements may be considered as well. In addition, there may be new or expanded partnerships where there is an agreement in principal but all necessary steps including an executed agreement have not yet been completed. No partnership should be based solely on the desire to obtain a SCIIP grant but rather such partnerships should be formed to implement viable regional solutions.

3. Is the Regional Solutions set-aside mainly geared to those who are currently a regional provider or are looking to consolidate or regionalize?

The Regional Solutions grant is for new or expanding partnerships.

FEDERAL REQUIREMENTS

Procurement of Engineering Services

1. If SCIIP funds are used for engineering, does it have to be competitively procured?

Yes. The procurement of any services or materials paid for in whole or in part with SCIIP funds must comply with federal requirements at 2 CFR 200.317-327. In general terms, this means that engineering services must be procured using a competitive Request for Qualifications (RFQ) or Request for Proposals (RFP).

2. If SCIIP funds are used for engineering, can an engineer who prepares preliminary cost estimates for the application be eligible to participate in the competitive procurement process for final design and other engineering services for the project?

Per 2 CFR 200.319, to eliminate an unfair competitive advantage, engineers that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. If SCIIP funds are used for engineering services, grantees will have to certify that they complied with all federal requirements when procuring those services.

3. If all engineering fees will be paid with local investment (non-SCIIP funds), do we have to solicit the engineering firm through a competitive RFQ/RFP process?

The cost of preliminary engineering may count toward the local investment requirement as long as it occurred for the project being requested and occurred after March 3, 2021. RIA expects grantees to follow their local procurement code for all locally-funded, project-related purchases, but will not request documentation of the procurement process for services or materials being funded entirely with non-SCIIP funds.

4. Can the cost of engineering services provided under “on-call” or “indefinite delivery” contracts be reimbursed with SCIIP funds? What if this contract began prior to March 3, 2021?

An on-call engineering contract is acceptable as long as the grantee can document that it was procured using competitive RFQ or RFP procedures that meet federal requirements. It is acceptable for the on-call contract to have begun prior to March 3, 2021 as long as the “project contract” or “work order” for the services to be covered with SCIIP funds was issued after March 3, 2021 and documentation of compliance with federal requirements is provided. Such project contracts or work orders would also have to incorporate applicable federal contract provisions. It is further noted that these types of expenses would be eligible to be counted as part of the local investment requirement, regardless of the method of procurement.

V.2

5. Can the portion of engineering costs incurred after March 3, 2021 be eligible for SCIIP funding even if the engineering work began prior to that date? Can it count toward local investment?

No. Engineering work completed under a standard contract or work order (see Question 4 in this section) that began prior to March 3, 2021 is not eligible for SCIIP funding *or* to count toward the local investment for a SCIIP project.

6. When procurement for engineering is required, what is the best resource for assistance in preparing RFQs for small utilities?

The COG or the County are the best resources for small utilities seeking guidance on compliance with federal procurement requirements found in 2 CFR 200.

Other Procurement Requirements

V.2

1. Is RIA and/or SCIIP open to scoping and awarding projects via pre-bid national Purchasing Cooperative contracts?

Any purchase contract for materials and services or construction contracts must follow federal procurement requirements in 2 CFR 200 and incorporate applicable federal contract provisions.

NEW in V.3

2. Are alternative delivery methods such as Construction Manager at Risk (CMAR) and Design-Build allowed?

Yes, as long as the grantee can document that federal procurement requirements were followed. RIA encourages you to carefully review SRF project eligibility guidelines, federal procurement requirements laid out in 2 CFR 200 and the Uniform Relocation Assistance and Real Property Acquisition Act. One key procurement requirement is that both CMAR and design-build contracts must be procured using a request for proposals that **includes cost as one of the selection factors**. If you are looking for more specific guidance on procurement through alternate delivery methods, please review the [SC Office of the State Engineer's Manual](#), particularly Chapters 11 and 12. If you document following procedures primarily consistent with the state guidelines, you should be in compliance with federal requirements.

Other Federal Requirements

V.1

1. Is a NEPA environmental review required for SCIIP projects?

NEPA environmental review requirements are not applicable to SCIIP projects but grantees must comply with other environmental and permitting laws or regulations.

V.2

2. Do the requirements of the Uniform Relocation Assistance & Real Property Acquisition Act (Uniform Act) apply to property acquisition for SCIIP projects?

Although the current US Treasury guidance for ARPA State and Local Fiscal Recovery Funds does not reference the applicability of the Uniform Relocation Assistance & Real Property Acquisition Act (Uniform Act), the guidance we have received indicates it does apply to SCIIP-funded projects. These requirements for real property acquisition can be found in 49 CFR Part 24 and include appraisal of property prior to negotiations, provision of a written offer to the property owner, payment prior to possession of the property, and reimbursement of expenses resulting from the transfer of the title.

3. What are the federal reporting requirements?

Grantees will report required information to RIA to be included in the State's reports to the US Treasury. Many reporting requirements will be similar to those for RIA's state grant program, with some additional details required. RIA will provide clear instructions on reporting requirements to all grantees in SCIIP's Project Management Procedures which will be published at a later date

REVISED in V.3

4. Do the requirements of the Davis-Bacon Act apply to SCIIP projects?

No. However, for SCIIP grants over \$10 million, grantees must either certify that all laborers and mechanics employed by contractors and subcontractors are paid prevailing wages or provide a project employment and local impact report. Additional information about hiring practices and wages is also required for these projects. These requirements are outlined on page 31 of the US Department of the Treasury's [Compliance and Reporting Guidance](#) for the State and Local Fiscal Recovery Funds Program.

GRANT APPLICATION

V.1

1. If I am applying for a stormwater project and a state grant to assist with the local investment, do I still need to complete the Viability Tool?

Only water/sewer utilities need to complete the viability tool. For other types of projects, the applicant may submit the latest audit to demonstrate viability.

2. For the alternatives description that needs to be outlined in the SCIIP applications, do we need to provide detailed cost estimates for the two other alternatives or just narrative information on other alternatives evaluated?

A narrative explanation of the two alternatives considered and rationale are sufficient. The two alternatives should be in addition to the project alternative selected.

V.2

3. Can “no action” be one of the two alternatives evaluated for capital improvement projects?

Yes. No action is an alternative that can be considered. Consideration of alternatives is a federal reporting requirement and is designed to demonstrate cost effectiveness and efficiency. If additional information is required, we will request it at a later date.

4. Are applications submitted both with two hard copy and electronic, or one method or the other?

Both. Submit two hard copies of the entire application (one original, one duplicate). ALSO submit the PDF of the complete, unsigned application form AND a PDF of all attachments in the requested order. All submissions must be received by 5 pm on September 12, 2022.

5. Is RIA taking applications for its regular state grant programs?

The Board is dedicating all state grant funds to providing the opportunity for utilities with service populations of 10,000 or less or located in Tier III or IV counties to supplement local investment for SCIIP projects. The RIA state grant funds must supplement the local investment and not serve as the total local investment. If all state grant funds are not obligated initially, RIA will consider applications for emergency projects, economic infrastructure projects related to job creation, and regional feasibility planning grants on a case-by-case basis.

V.2

6. If easements are already acquired, should they be listed under “# of easements needed?”

Yes. Use the date completed field to indicate they are already acquired and explain in the narrative. Grantees will be required to certify compliance with the Uniform Relocation Assistance & Real Property Acquisition Act (Uniform Act). Please see Question 2 in the Other Federal Requirements section.

7. Can one project address multiple priorities in one grant category?

Yes. Please use the narrative to make your case for all applicable priorities.

8. For stormwater projects, should providers use RIA’s viability tool to document viability?

No. The tool is only designed for water and sewer utilities. Stormwater providers can submit the previous year’s audited financial statements and any other relevant documentation as evidence of viability.

PROGRAM ADMINISTRATION

Project Selection

V.1

1. Will there be a certain number of grants awarded to each region?

While one goal of the program is geographic diversity, there is not a pre-determined number of projects that will be awarded by region.

2. If you submit a grant application for \$10M, could there potentially be a partial award or either awarded for full amount or not at all?

RIA reserves the right to modify the funding request. However, any modification would be discussed with the applicant in advance to ensure the project would still be feasible.

VERSION HISTORY

Version	Date Published	Summary of Changes
1	July 8, 2022	N/A
2	July 28, 2022	<ul style="list-style-type: none"> Revised questions #3 and #7 under Eligible Applicants to reflect that all utilities in Tier III and IV counties are eligible to request RIA state funds to supplement local investment. Added all other questions labeled “V.2” Made non-substantive clarifications to the following Version 1 questions: <ul style="list-style-type: none"> #3 under Eligible Applicants #5 under Eligible Activities #1-4 under Timeline Corrected the numbering of the questions under Timeline Moved former #3 under Grant Application to the Other Federal Requirements section and made non-substantive clarifications
3	August 19, 2022	<ul style="list-style-type: none"> Added Question #6 under Eligible Activities and Question #2 under Other Procurement Requirements Added information to Question #4 under Other Federal Requirements to clarify labor and wage-related reporting requirements that apply only to SCIIP grants over \$10 million